



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 12/1/2003

GAIN Report Number: CH3132

China, Peoples Republic of

Citrus

Annual

2003

Approved by:

Maurice W. House
U.S. Embassy, Beijing

Prepared by:

Casey Bean, Adam Branson, Wu Bugang

Report Highlights:

China's tangerine production continues to decline while orange production increases. During 2003 China's citrus production is forecast at 12 million metric tons. During the next five to ten years, post expects China's orange and tangerine yields to improve while total acreage remains stable. Despite policy initiatives by the Ministry of Agriculture, citrus production increases will not meet China's increasing consumer demand for the foreseeable future. China's citrus imports increased to \$108 million due to the demand for fresh oranges and frozen orange juice. Exports increased to \$224 million on the strength of China's canned mandarin production.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Beijing [CH1]
[CH]

Table of Contents

Executive Summary	3
Production	4
Total acreage and volume dominated by mandarins, but oranges growing fast	4
Mandarin orange production slowly converted to oranges or vegetables	5
Sweet/navel orange planting for fresh and processed consumption growing	5
Other citrus (e.g. Pomelos, Lemons, Kumquats, Ornamentals) remains unchanged	5
Processed citrus production growing but not sufficient for demand	6
Growers lack capital but costs remain low allowing for slow grove conversion	7
Research and development focus on diseases, density, and grading uniformity.....	7
Production Policy	8
Ambitious production policy plan aimed at satiating growing consumer demand	8
Consumption	9
Fresh citrus consumption strong and expected to grow	9
Processed citrus consumption far behind other primary citrus growers	10
Trade	10
Exports outstrip imports but remain a fraction of production	10
Effective tax + tariff rates still 30 to 50 percent	10
Fresh orange imports keep growing, especially from the southern hemisphere	11
Canned mandarins bring big dollars to big processing enterprises.....	11
Trade Policy	12
Dialogue and science opens markets while PPQ concerns closes off others	12
Stocks	12
Storage improving but often used for other fruits	12
Prices	13
Wholesale pricing information availability provides extra insight to traders.....	13
Marketing	13
Buyer sophistication improving as better looking and safer fruit is in demand.....	13
 Historical Production Tables by Province in 1000 Ha and 1000 MT	 15
2001 and 2002 Production Tables by Citrus Variety in 1000 MT	16
All Citrus Trade	17
Chinese Citrus Imports from the World by Volume and Value	17
Chinese Citrus Exports to the World by Volume and Value	18
Tariff, VAT, and Effective Rate Reduction Schedule	19
Fresh Citrus	19
Processed Citrus	19
Wholesale Market Pricing Data (in RMB per Kilogram: RMB 8.265 = US \$1)	20
Orange Prices.....	20
Mandarin/Tangerine/Satsuma Prices	20
Pomelo/Grapefruit Prices	21
Lemon/Lime Prices.....	21
Production, Supply, and Demand (PSD) Tables	22
Oranges	22
Tangerines	24
Pomelos and Grapefruits	26
Orange Juice	28
Grapefruit Juice	30

Executive Summary

In the next five years, FAS/Beijing expects China's orange and tangerine yields and production volume to improve while total acreage remains stable. China may accomplish this by removing undesirable citrus orchards and replacing them with integrated orange groves and some integrated tangerine groves in line with government policy initiatives to supply a better variety and higher quality of oranges and tangerines. Production increases may be absorbed on the domestic market as Chinese consumption of fresh citrus and orange juice outpaces domestic demand. However, with quality improvements, some export increases are likely as well. Yet increased import demand should continue, especially for Southern Hemisphere citrus.

China's 2002 fresh citrus production of nearly 11.9 million metric tons (MMT) surpassed initial estimates due to earlier than anticipated fruit yields on citrus lands converted over the past several years. Forecasts for 2003 production and planting area are higher as well, but official estimates from China's Ministry of Agriculture (MOA) will not be available until mid-February. Citrus production increases are likely to continue as new acreage planted over the past few years bears fruits and exhausted trees are replaced with better yielding varieties. China's MOA reports, however, that acreage should stabilize, and with better yields, production should increase.

Policy initiatives by MOA focus on increasing production by promoting plantings across advantageous regions with specific desirable varieties planted for fresh or processed utilization. Industry sources and government officials report production increases are market-driven with the majority of the increase absorbed on the domestic market and only minor export increases. Wholesale market price data from November 2003 indicates that prices are equal or slightly lower than the same time a year ago while grower costs remained the same or slightly higher. MOA officials report high-quality citrus prices increased over the past year and that the lower overall prices are a reflection of the lower prices for lesser quality fruit.

Primary processed citrus processing continues to be for canned mandarins. Most of the production depends upon supplying export orders to meet world demand. Policy makers and industry specialists report orange juice processing production is increasing as domestic consumption increases. However, most processors rely on imported single strength or concentrated juice that is bottled or packaged for the domestic market.

This past marketing year, combined fresh and processed citrus imports equaled \$108 million and 123,871 MT while combined fresh and processed exports reached \$224 million and 502,577 MT. This is a far different picture from the Chinese market of just eight years ago when the October 1995 to September 1996 marketing year fresh and processed citrus imports into China were only \$3.9 million and 7,603 metric tons (MT) and exports were \$144 million and 241,390 MT. Although exports still far outstrip imports, the growth in imports of fresh and processed into China expanded at a substantial rate. The greatest increases in imports were for fresh oranges and frozen orange juice while export expansion derives primarily from canned and fresh mandarin oranges. Some of the increased trade numbers may reflect a better measure of data, but the overall trade is growing as Chinese consumers prosper.

China's imports of fresh citrus fruit occur throughout the year, but the greatest future growth is likely for southern hemisphere citrus. This past marketing year witnessed the greatest import volume of fresh oranges during the months of July through October with a peak in September. Chinese fresh mandarin and orange exports should expand to cover a greater period of the marketing year. Presently, little fresh citrus is exported from June to September while most fresh citrus exports occur from December through April with a peak in December and January.

Production

Total acreage and volume dominated by mandarins, but oranges growing fast

Official statistics are unavailable for 2003 nationwide citrus production, but estimates range from 11.5 to 12.5 MMT. Much of the production is of similar varieties and often results in a high-year and low-year production cycle. The Chinese State Statistic Bureau (SSB) estimates 2002 citrus production, which should have been at a low-year in the production cycle, reached 11.9 MMT. This was, in fact, higher than previously anticipated and an increase of 3.3 percent from 2001. In 2003, it appears that unseasonably hot temperatures in July and August across major growing regions coupled with water scarcity concerns for some mandarin orange growing production bases resulted in smaller fruit sizes and lower production volumes for some areas.

Government officials and industry specialists report planted area should stabilize near current levels over the next few years with improvements in grove management resulting in better yields and higher production volumes. Chinese government officials' report the planting guideline is to maintain total planted area but to reallocate citrus plantings to advantageous regions with desirable varieties. However, according to China's MOA Statistical Abstract, China's planted area increased 130,000 Hectares (Ha) during the past two years. The greatest share of the increase was last year, when planted area increased 80,000 Ha to 1.405 Million hectares (MHa). Most of the current planted area increases should be in integrated commercial orange groves as opposed integrated citrus groves of other varieties. Prior to the increases that began in 2001, citrus planting acreage was stable or declining (1996-1.279 MHa, 1997-1.309 MHa, 1998-1.270 MHa, 1999-1.282 MHa, 2000-1.271 MHa, 2001-1.323 MHa, 2002-1.405 MHa).

China's MOA included "citrus" as one of China's 11 advantageous agricultural commodities. The plan, which does not provide for national government funding, calls for increased integrated citrus production and the coordination of planting for greater season availability and improved citrus quality (see production Policy). Industry sources indicate the ideal citrus arrival structure would be 20 percent early, 40 percent middle, and 40 percent late arrival. Plantings under this plan are designed to develop this arrival structure.

Presently, the primary mandarin orange/tangerine/satsuma (hereinafter referred to as mandarin orange) production areas are Fujian, Zhejiang, and Hunan. The primary orange production areas are Sichuan, Guangxi, and Chongqing. Many of the production areas within these provinces are in remote mountainous regions where there are significant challenges for distribution. As such, there is limited interest in investment for post-harvest treatment facilities or juicing operations. Furthermore, with current production levels, growers' sales prices are higher than what would be profitable for juicers or processors. However, the Chinese government at national, provincial, and county levels is developing distribution paths and infrastructure to entice domestic and foreign development.

Mandarin orange production slowly converted to oranges or vegetables

CRI specialists estimate mandarin orange production accounts for 55 percent of current citrus production and 50 percent of citrus-planted area. Specialists indicate mandarin orange production occupied as much as 65 percent of volume and area five years ago. In addition, CRI specialists indicate that mandarin orange production and planting area may comprise 40 percent of China's citrus in another 5 to 10 years. Mandarin orange groves have been removed in favor of increased vegetable planting or replaced by orange tree plantings over the past several years. Specialists indicate this trend is likely to continue for the next several years as growers provide fewer crop inputs and management resources into mandarin orange groves. With the removal of exhausted trees and few new plantings of mandarin orange trees, industry specialists report that as much as 95 percent of mandarin orange trees produce fruit and with little weather related impacts will bear fruit.

As much as 90 percent of China's mandarin orange rootstock is from Trifoliate with the remainder of mandarin orange rootstock deriving primarily from red tangerine (Hong Ju). The preference for these rootstocks is due to their virus and drought tolerance, cold-hardiness, the quality of fruit bearing, and the ease of grafting. China's mandarin orange planting structure favors Satsuma. Miju and Wenzhou Miju may comprise 60 percent of total mandarin orange production. Pengkan and Lugan comprise another 30 percent of mandarin orange production. Pengkan and Lugan have better market potential for fresh export and they, along with early-arrival tangerine hybrids, should increase their market share of production. At present, indications are that 80 percent of mandarin oranges are harvested during the months of October or November. Prior to these two months, there is another 5 to 10 percent picked while the fruit is green in late August or September. The remainder of mandarin oranges may be picked as late as December.

Sweet/navel orange planting for fresh and processed consumption growing

CRI specialists indicate current sweet and navel orange production accounts for nearly 30 percent of citrus production and 40 percent of planted area. Indications are that many of the newly planted areas have not entered into commercial production. As new sweet and navel orange groves enter into production, the ratio of production with planted area should tend to greater parity. Industry specialists report that the percentage of orange trees bearing fruit was around 83 to 85 percent, but with the number of new plantings, should move lower.

Government officials, scientists, and processors have a strong interest in seeing greater volumes of sweet juicing orange varieties planted to supply adequate volumes necessary for profitable juicing. China's sweet and navel orange rootstock is also from Trifoliate orange with some newly planted areas using Swingle. CRI specialists estimate approximately one-third of China's sweet or navel oranges are of the Jincheng variety. Jincheng are supposed to be desirable for processing and available from December through early February. Navel oranges may comprise another 20 percent of production and planting area with greatest availability in December. Red River oranges and Harmony oranges (Bingtangcheng) comprise another 20 percent of fresh orange production with greatest availability in late-October through November. The remaining share of orange production is from several other varieties with limited mid-season availability. Growers, scientists, and government officials have expressed strong interest in extending the available season of fresh domestic oranges by planting early and late maturing varieties.

Other citrus (e.g. Pomelos, Lemons, Kumquats, Ornamentals) remains unchanged

Pomelo production occupies approximately 10 percent of citrus-planted area and volume. Precise estimates, however, are unavailable. The quality and volume of domestic lemon production (primarily Eureakas and Lisbons) appears growing in Sichuan with one area reporting planted area of 5.3 ha and 8 million trees yielding 50,000 MT. Kumquat and ornamental citrus production is unchanged.

Processed citrus production growing but not sufficient for demand

The Chinese government is projecting to turn the upper and middle reaches of the Yangtze River into Asia's largest orange processing base as outlined in its long-term plan (see policy section). Chongqing launched an ambitious project in 2002 to plant 440,000 mu of orange groves by the year 2010 with production volume reaching one million MT, half of which goes to processing. The government is hoping that large-scale planting of oranges would bring down procurement cost in an effort to facilitate domestic juicing industry. Given the promising future of juice consumption in China, some juicing plants have started building juicing facilities in major orange producing areas even if large-scale orange groves are not in place yet. Some canned fruit companies, such as Wuzhongxing in Zhejiang, are also setting up juice production lines in anticipation of the booming juice consumption.

Around 5% of China's total citrus harvested is processed, with more than 90 percent of the processed citrus going to canned mandarin. The official production number for canned mandarin is lacking. However, industry sources estimate that the country produced around 250,000 MT (1.2-1.5 MT of fresh mandarin makes one MT of canned citrus) of canned mandarin in 2002. Although the processing capacity is much larger (between 300,000 MT to 400,000 MT), the actual production is increasing marginally as the volume depends on world market demand that is expected to remain stable.

Zhejiang is leading the country in canned citrus production. Other provinces, such as Hunan and Jiangxi, produce just a small portion. Zhejiang province contains some 50 fruit canneries, such as Huangyan and Wuzhouxing, which produce canned citrus from late October through early February.

Even though China's production of fruit juice and juice drink increases nearly 50 percent on a yearly basis (2002 production reached 2.1 million MT), locally produced orange juice remains minimal. The unavailability of low-cost oranges has prevented Chinese orange juice producers from making either the quality or quantity of juice to accommodate the domestic market. China's current production level of orange juice stands at less than 10,000 MT (single strength) that is used mainly to blend with imported juice or to produce fruit drinks. In China, producing one MT of orange juice needs about 5 MT of fresh oranges.

Major juicing plants are located in Chongqing, Sichuan, and Jiangxi with each having a processing capacity between 10,000 to 100,000 MT per year. Chinese companies are sourcing out-of-grade oranges for juicing that cost around 0.6 RMB per kilogram. Out of 500,000 MT of oranges suitable for juicing, less than 10 percent goes to processing as juice producers are not willing to pay higher prices or they will lose competitiveness against imported material.

Other processed citrus products such as tangerine juice, jams (jellies) and citrus oils (from peel) only account for a small portion of the total production. China does not produce grapefruit juice.

Growers lack capital but costs remain low allowing for slow grove conversion

Growers lack individual investment capital and resources for improving citrus management on their own. Growers rely on income from one season to the next and are often unable to take large sections of land out of production at any one time or acquire development loans and assistance. Industry sources indicate if growers are to become more efficient they need to move away from conventional or opportunistic production. At present, grower problems remain small individual land holdings, low yielding tree varieties, undesirable varieties for processing, undifferentiated or indistinguishable varieties for fresh consumption, and poor distribution channels for fresh citrus. Therefore, it is likely that lower level government offices may intervene to reclaim barren hillsides and plant orange and mandarin orange trees in an effort to foster efficient, economic, integrated growing. Apart from planting integrated orchards, growers' may elect to slowly replace older, exhausted trees with young trees with greater desirability.

Industry sources report Chinese citrus producers' costs remain low in comparison to other major citrus producing nations. The greatest share of production costs for farmers are pesticides, fertilizers, and plant growth regulators. Some growers and commercial operations hire laborers for picking. The grower and the grower's family, however, supply most labor throughout China's citrus producing regions. As a result, most production costs (detailed below) do not include harvest costs or distribution costs to post-harvest locations. One of China's research centers estimates annual grower costs for young orange groves from RMB 3,150 to RMB 4,800 per Ha (US \$381 to US \$581 per Ha). Older orange groves are typically more expensive and annual costs range higher between RMB 6,300 to RMB 9,600 per Ha (US \$762 to US \$1,162 per Ha). MOA officials report research on production costs for mandarin oranges and tangerines in four key production bases revealed costs of about RMB 0.6 to RMB 0.8 per kilogram of fruit yielded (US \$0.073 to US \$0.097 per kilogram). Mandarin orange growers report annual production costs of RMB 4,500 to RMB 9,000 per Ha (US \$544 to US \$1,089 per Ha) with per tree expenditures ranging from RMB 4 to 5 per tree. At these costs, grower profits are achievable, and if growers were capable, would expand production area. In some areas, however, growers intentions are to reduce citrus acreage in favor of vegetable planting, which, although more time-consuming, result in higher net profit.

Research and development focus on diseases, density, and grading uniformity

China's Citrus Research Institute (CRI) facilities in Chongqing house the National Citrus Germplasm Bank, a Citrus Planting Technology Center, a citrus Storage and Processing Center, a Virus Exclusion Center, and the MOA Citrus Quality Inspection Center. CRI conducts research on tree breeding and grafting, tissue culturing, PCR testing, and analysis of citrus varieties and diseases. CRI is conducting extensive research on citrus diseases like Greening, Tristeza, Tatter-leaf, Exocortis, and Satsuma Dwarf Virus with the aim of providing high-quality disease-free young trees and containerized trees to growers throughout the country via county agricultural extension offices. These trees are presumably going to be used in new integrated orchards or as replacements to older trees.

CRI specialists indicate tree-planting density for mandarin orange and sweet or navel orange trees is decreasing. Commodity tours, as well, over the last two years support specialists' indications. Trees were planted at about 80 trees per mu (1200 trees/Ha) as recent as five years ago. Now, specialists believe planting density is closer to 55 trees per mu (825 trees/Ha) and moving lower. Another foreign invested citrus research center in Chongqing advocates optimal density is much lower at about 30 to 40 trees per mu (450 to 600 trees/Ha). The center provides grower extension information to commercial groves near its production base. It appears growers prefer planting trees in rows and interspacing young trees with vegetables or oilseed crops. Then, as tree branches grow fuller, occupy greater space and prevent sunlight exposure from reaching the ground, the other crops are removed.

The importance of citrus grading is on the rise for growers and industry specialists. China's State General Administration for Quality Supervision, Inspection, and Quarantine (AQSIQ) compiled grading standards based on external and intrinsic features of several citrus varieties (See: www.aqsic.gov.cn/cms/template/item.html?did=1174&cid=1174\2103). The standards range from triple A (AAA) meaning exceptional to double A (AA) implying best and single A (A) referring to good. In addition to these standards, some regions may have developed independent standards for specialty citrus crops unique to their region.

CRI specialists indicate that about 80 percent of mandarin oranges meet any of the triple A to single A grade requirements (20 percent AAA, 40 percent AA, and 20 percent A) with 20 percent not reaching grade. The percentage of fruit not reaching grade is attributed to low prices that growers receive for mandarin oranges and therefore little incentive to maintain fruit quality. CRI specialists indicate growers are more willing to manage orange groves in an attempt to produce better quality fruit that commands higher prices. As a result, nearly all orange production is within grade (35 percent AAA, 30 percent AA, 35 percent A). Out-of-grade mandarins or other citrus fruit is not likely to be distributed to retail stores or markets, but it can be sold by growers or consumed, the fruit may not be readily marketable. Out-of-Grade is attributed to: small fruit size, disease damage, irregular color, and poor internal qualities of the fruit.

Although not part of the AQSIQ grading standards, MOA introduced "Wholesome Food" (Wu Gong Hai) Production Standards that are becoming an industry norm. The standards focus on safer production methods and are aimed at helping growers' receive a higher farm-gate price for their product while at the same time conveying product safety to domestic market and export market consumers.

Production Policy

Ambitious production policy plan aimed at satiating growing consumer demand

As indicated in the newest MOA 5-year plan, the Chinese government developed a strategy to improve citrus production competitiveness. Post believes the ambitious plan faces significant implementation problems. Yet, it provides industry with an ideal outline of where to focus efforts without providing concrete detail. The plan recognizes the composition of different citrus varieties is not market oriented, with too many mandarins and too few oranges being produced. Furthermore, it indicates there are too few citrus varieties suitable for processing and too few early and late-maturing varieties on the market.

Moreover, the 5-year plan indicates the processing industry is under-developed with only 2 percent of total fresh production being exported. The plan confirms that the orange juice industry depends almost entirely on imports. In addition the plan indicates China's demand for fresh citrus and orange juice will tend to grow rapidly with the improvement in living standards and that, in the meantime, Chinese mandarins and canned citrus are price competitive with great export potential.

The plan calls for the Chinese citrus industry to:

- Consolidate competitive advantages in the mandarin and canned citrus production industry in order to increase exports.
- Develop variety production used in the orange juice processing industry.
- Promote development of the processing industry to alleviate the negative impact of imports on Chinese growers.
- Increase acreage of early and late-ripening varieties while reducing the growing area of the middle-ripening varieties, so as to ensure a balanced supply during different seasons of the year.
- Strengthen the supply of fine and exceptional breeds.
- Establish export/processing bases of a high standard that are environmentally friendly, with economies of scale.

The 5-year plan encourages development of three key production and planting areas. Indications are that development in the first two areas began and that development in third region will begin later when the market situation is appropriate. The first area, along the upper and middle reaches of the Yangtze River, is being converted into Asia's largest orange juice processing base. The second key area along the southern parts of Jiangxi and Hunan provinces should become Asia's largest high-quality fresh orange production base. The third area, along the southern reaches of Zhejiang, the western parts of Fujian, and the eastern portion of Guangdong should become an export base for fresh and canned mandarins.

The plan concludes that by 2012, the exceptional-quality fruit ratio should increase from the current 35-percent to over 50-percent, with per-unit yield increasing from 700 kg/mu (10.5 MT/Ha) to 1500 kg/mu (22.5 MT/Ha). The per-unit yield of varieties used by the processing sector should reach 2000 kg/mu (30 MT/Ha). The proportion of early and late-ripe varieties will rise from 20 percent to 35 percent, with the market period of fresh fruit being extended from 4 months to 8 months.

Consumption

Fresh citrus consumption strong and expected to grow

Industry sources and citrus specialists believe domestic production increases are directed at meeting increased domestic fresh and processed citrus consumption. Consumption is increasing as the population develops greater affluence and is readily able to purchase better fruit. In 2002, citrus specialists estimated China's per capita consumption of fresh citrus was 8 kilograms (namely tangerines). USDA ERS publications estimate 2000/01 U.S. consumption of fresh oranges and tangerines at 6.7 kilograms (12.3 lbs. oranges and 2.6 lbs tangerines). Specialists would like to see China's per capita fresh consumption rise to 10 kilograms by 2005, 11.5 kilograms by 2010, and 13 kilograms by 2015.

Citrus product quality deteriorates quickly after harvest and negatively affects consumption even though the number of cold storage facilities is increasing, post-harvest treatment is improving, and distribution to major domestic markets is easier and faster. Therefore, at present, citrus consumption is greatest during the periods during and just after domestic citrus harvest. Peak consumption for fresh citrus occurs at the same time as Chinese holidays like the mid-Autumn festival and the Chinese New Year.

Industry sources believe the greatest share of fresh citrus consumption currently occurs in growing regions. Improvements in post-harvest treatment, packing, and distribution are needed if the domestic industry wants to expand its share of consumption to non-growing regions. Until that time, imported citrus has greater potential for consumption in developed cities like Shanghai, Beijing, and Guangzhou. Consumption of imported citrus in emerging city markets, as evidenced by trade destination, appears to be increasing.

Processed citrus consumption far behind other primary citrus growers

Despite canned citrus domination of processed citrus products by volume, per capita consumption of canned citrus is believed to be small and not expected to grow significantly in the near future. Domestic consumption of canned citrus is primarily in restaurants or as food ingredients. Chinese people prefer fresh fruit to canned fruit because of nutritional and food safety concerns. More than 90 percent of canned citrus (mandarin) produced in China is exported.

The demand for orange juice increased incredibly fast over the past few years. As incomes grow, more people are aware of the nutrition and convenience of drinking juices. Latest estimates put current per capita consumption of orange juice at 0.2 liters (L), while the United States recorded a 19L per capita consumption of orange juice in 2001/02 (ERS Fruit and Tree Nuts Outlook, Nov. 21, 2003). Estimates are that the national total consumption will jump to 500,000 MT in 2005, 2 million MT in 2010, and 2.5 million MT in 2015.

Again, local production of orange juice is unlikely to catch up with the rapid growth of consumption. Juice manufacturers are reluctant to offer higher procurement prices in order to keep their product competitive against imported juice. Farmers, however, are not willing to lower prices because they need to be able to balance input costs with the yields they achieve on small orchard operations. Juicing companies that built large juicing facilities in some orange producing areas are unwilling to invest in constructing orange bases due to the high costs and other problems such as land ownership. The government has mapped out a plan and will use incentives to encourage construction of integrated orange groves in Sichuan and Chongqing. This is a long-term project still facing some difficulties such as planting technology. In the foreseeable future, the gap between demand and supply will mainly be filled by imports.

Trade**Exports outstrip imports but remain a fraction of production**

China traded record volumes of fresh and processed citrus over the last marketing year equaling \$104 million in imports and \$224 million in exports. Frozen orange juice comprised over 55 percent of the value for all fresh and processed citrus with fresh oranges comprising another one-third of the value of imported products. Exports of canned mandarins comprised over 68 percent of the value of all fresh and processed citrus exports while fresh mandarins comprised another one-quarter of the value.

Effective tax + tariff rates still 30 to 50 percent

China agreed to a tariff rate reduction schedule for a variety of agricultural products as part of WTO accession. The scheduled rate reductions for citrus take place until 2004 (see Tariff and VAT rate tables at the end of this report). As tariff rates continue falling, there is increased opportunity for fresh citrus to enter China. Effective rates for fresh citrus in 2003 ranged from 32 percent to 49.2 percent. Effective rates for processed citrus ranged from 25.8 percent to 53.3 percent. Now, however, sources indicate the largest volume of imported citrus and other fruits still enter China via Hong Kong trans-shipment.

Fresh orange imports keep growing, especially from the Southern Hemisphere

Direct imports into Mainland China are forecast to increase as inspection and customs policies gain transparency and domestic storage facilities for imported fruits improve. Traders indicate, however, that although it is possible to import fruit directly into China at ports closer to major population and consumption centers, the infrastructure, distribution, and familiarity of importing fruit through south China and by Hong-Kong transshipment is still a preferred low-cost method. However, as Chinese tax authorities increase monitoring and preventing "gray-channel" trade, the risk/incentive to trans-ship should diminish and legitimate trade could flourish. And, recent press accounts indicate the Chinese government is interested in stopping illegal and unmonitored imports that could introduce plant pests like Mediterranean fruit fly into the country.

Increased fruit imports should continue to meet domestic demand as Chinese consumers spend more income on fresh fruits year round. The strongest potential for increased imports remains during the period which China does not produce citrus fruits, or in years when production is affected by water scarcity or weather damage. Same hemisphere exports to China have potential for further increases if exporters can supply good quality fruits at low prices. This will likely be determined by the production situation in those countries. As China produces more early- and late-season citrus fruits, however, large rates of gain for same season/hemisphere suppliers does not appear likely. Therefore increased imports may come from southern hemisphere producers and from low-priced same season producers.

Some exporters of U.S. fruit have utilized the USDA Supplier Credit Guarantee Program in order to export American citrus fruit products to the China/Hong Kong region. Yet, some traders report reluctance to trade with Chinese and Hong Kong importers for commercial reasons; namely, some Chinese importers require lengthy payment terms. It appears many Chinese traders are extended to distributors and wholesalers who are extended to retailers, restaurants, etc. Therefore, many importers often wait to make payment until they have received their sales income. On occasion, importers report problems making foreign currency payments, too.

Canned mandarins bring big dollars to big processing enterprises

China's Canned Food Industry Association sources report China exported around 210,000 MT of canned mandarin in 2002, mainly to Japan, EU countries and America. This number is expected to grow steadily as world demand remains stable to slightly increasing. However, the EU recently announced provisional safeguard measures against Chinese canned citrus had taken affect. Under this safeguard measure to last 154 days, a tariff rate quota of 11,937 MT of Chinese canned citrus can be imported into the EU. Trade exceeding this volume is subject to 155 Euro tariff per ton. This could reduce China's canned citrus exports to the EU by one-third. However, the overall export volume should maintain current levels.

China will keep importing large quantities of orange juice to accommodate the shortfall resulted from surging demand. Official data showed China imported 17,730 MT of orange juice concentrate in 2001, 36,782 MT in 2002 and 38,698 MT in the first nine months of 2003. As tariff rates see minor reduction through 2004 (following significant cuts in 2002), import growth is more of a market-driven nature. The largest juice supplier to China was Brazil, followed by Israel, United States and Netherlands.

As China produces little grapefruit, grapefruit juice is totally dependent on imports, primarily from the United States. China exports relatively small juice (mainly re-exports) to some Asian countries (regions) like Hong Kong. China also exports limited amounts of other citrus products such as jam, jellies, pastes, etc.

Trade Policy

Dialogue and science opens markets while PQ concerns close others

The USDA continues negotiating for broader market access to China. For now, the 1999 Joint U.S. and P.R.C. Agricultural Cooperation Agreement provides certain U.S. citrus access to China under the provision that the two nations adhere to the standards and principles of internationally accepted Pest Risk Assessments (PRAs). The current list of states and state counties approved to ship citrus to China should be available from local and regional USDA Animal and Plant Health Inspection Service (APHIS) offices.

China's AQSIQ actively pursues broader market access for Chinese citrus products. Apparently, China's MOA has little input into this process. At present, the greatest markets for Chinese fresh citrus are in neighboring countries with limited production and few plant protection and quarantine concerns. AQSIQ, however, continues requesting for greater access to developed markets like the United States after recently beginning fresh shipments to Canada. The PRA being conducted on Chinese citrus by USDA APHIS remains in progress.

China's announcements to the World Trade Organization (WTO) Committee on Sanitary and Phyto-Sanitary (SPS) Measures regarding fruit can be searched for, viewed, and then downloaded from the WTO web site (http://www.wto.org/english/tratop_e/sps_e.htm). Visitors to the site should search for China under the Notifications on SPS section. The most notable announcement for U.S. citrus growers is announcement "G/SPS/N/CHN/P/117" which permits U.S. oranges from certain states and counties. This SPS measure was issued with China's WTO accession.

Other citrus producing nations continue advocating for greater China market access. Industry sources indicate Uruguay recently received approval to begin shipments to China and that agreements with other large citrus producing nations are still pending. News reports indicate growing attention paid to imports from large citrus and other fruit growing nations exporting fruit without a PRA agreement. In some instances, trade has been closed off, while China Customs, Inspection, and Quarantine (CIQ) officers may try to counter the negative effect from press reports with increased plant protection monitoring. Some citrus, however, continues entering China from countries without protocols.

Stocks

Storage improving but often used for other fruits

No official data for citrus stocks exist. If growers desire to store fruit, they often elect to keep fruit on the tree, unpicked for as long as possible. Many growers store citrus on shelves or on the ground inside homes, simple shelters, and caves. Many growers spray citrus fruits with fungicides and bag the fruit in plastic to preserve fruit moisture. Growers indicate this type of storage allows fruit to be kept for between 1 to 3 months following harvest. Modern cold storage facilities are improving, however, most facilities seem to stock deciduous fruit. Some industry specialists indicate there are a few nitrogen-fixed atmosphere storage facilities that maintain good quality fruit until the Chinese New Year.

Prices

Wholesale pricing information availability provides extra insight to traders

Beginning last year, the MOA published sales price information from individual wholesale markets for a variety of major agricultural goods on its website (www.agri.gov.cn/jghq/gp/). The information aims to provide domestic growers and traders with greater knowledge about market conditions for agricultural goods around the country. The website provides no data regarding fruit quality or trade volume. Also, the website neither distinguishes between imported products that have filtered onto the local market, nor is each market required to report daily. The positive side, however, is that the information, albeit limited, provides a general indicator of major cultivars market prices and seasonal availability across different regions.

Chinese sweet and navel orange wholesale prices are at their highest point from June to late October when domestic availability is scarce. Likewise, when product is scarce, mandarin orange prices are highest from May to early September. Pomelo and grapefruit pricing has been relatively stable over the past year. Lemon prices, however, declined throughout the year.

In some wholesale markets, traders report there is an occasional slight rise just prior to and during the Chinese New Year. At that time, citrus sales are equal to the entire volume that some traders achieve for a two to three month period of time.

Converting Chinese RMB/Kilogram to US \$/Metric Ton (RMB 8.265 = US \$1.00)								
RMB/KG	RMB 1/Kg	RMB 2/Kg	RMB 3/Kg	RMB 4/Kg	RMB 5/Kg	RMB 10/Kg	RMB 15/Kg	RMB 20/Kg
US \$/MT	\$121/MT	\$242/MT	\$363/MT	\$484/MT	\$605/MT	\$1210/MT	\$1815/MT	\$2420/MT

See the Wholesale Pricing Tables in this report for an indication of 2002/2003 wholesale market price trends. Average imported fruit prices are available in the Trade Table section of the report.

Marketing

Buyer sophistication improving as better looking and safer fruit is in demand

Many USDA cooperators such as the Florida Department of Citrus and Sunkist, in conjunction with the USDA Agricultural Trade Offices in China encourage more sophisticated marketing of U.S. fresh and processed citrus fruits. Hypermarkets will carry good quality citrus fruits year round. In many instances, there may be several varieties of imported fruits from several countries placed alongside domestic fruits that are indistinguishable from imported cultivars. One hypermarket mentioned that when it held a sale driven promotional event for imported U.S. Red Delicious apples, the store sold over 2 MT in a day.

Consumers, especially in larger cities, tend to purchase fruit from retail outlets as opposed to a few years ago when fruit purchases occurred at wet markets, roadside stands, and farmers markets. In addition, retailer sophistication in marketing of imported and domestic fruit improved over the past few years. Sales driven marketing efforts such as advertisements in newspapers for imported fruits and promotional point-of-purchase/sale signs are common. "Stickered" fruit featuring brands from the U.S., New Zealand, Australia, and other countries is common, too. Yet, some industry sources report skepticism about the fruit origin since most stickers are identical, may appear on inappropriate categories (e.g. Sunkist Apples), and due to the costs of "stickered" each piece of fruit may not occur at the true point of origin. Therefore, it appears educational efforts may be welcome if aimed at providing traders, retailers, and consumers with information about fruit quality and distinguishing features.

Grocery stores, supermarkets, and hypermarkets employ societal marketing for domestically produced fruits and vegetables. However, the direct benefits to the environment and the grower society do not appear to influence consumer consideration. Rather, food quality and safety seems to influence consumer purchasing behavior and the fruits being marketed as produced under environmentally and societal friendly patterns impacts buyers. At present, no known imported fruits are marketed using any of the above-mentioned standards. However, consumers generally recognize imported fruit quality and safety may be better and healthier than domestic fruit.

Different Chinese government agencies (i.e. MOA, Ministry of Health, State Environmental Protection Administration) developed standards for "green food," "wholesome food," and "pollutant/pesticide free food" in order to improve fruit quality and safety. It does not appear as if any single standard/certification has dominated the production market, but consumers generally believe these types of certified domestic foods are healthier or better for their families. Producers' and scientists identify the MOA wholesome food standard as easier and more practical. Therefore, overtime, this standard could become the leading production guideline. Growers can still use pesticides and agri-chemicals, however, and the products are not considered organic. However, recent EU bans on certain pesticides could push fruit and vegetable growers into a position to drastically lower the volume and types of pesticides used.

Additional information about marketing U.S. citrus products can be obtained from USDA Agricultural Trade Office in Beijing, Guangzhou, and Shanghai, or the in-China representatives for Sunkist and the Florida Department of Citrus:

USDAATO Beijing	USDAATO Guangzhou	USDAATO Shanghai
Attn: Mr. LaVerne Brabant	Attn: Mr. Keith Schneller	Attn: Mr. Ross Kreamer
Tel: 86-10-8529-6418	Tel: 86-20-8667-7553	Tel: 86-21-6279-8622
Fax: 86-10-8529-6692	Fax: 86-20-8666-0703	Fax: 86-21-6279-8336
Email: ATOBeijing@usda.gov	Email: ATOGuangzhou@usda.gov	Email: ATOShanghai@usda.gov
Sunkist Growers	Florida Dept. of Citrus	
Attn: Mr. Robin Wang	Attn: Mr. Louis Ng	
Tel: 86-21-6875-9971	Tel: 86-21-6247-3840	
Fax: 86-21-6875-9961	Fax: 86-21-6247-3448	
Email: shengming@sh163.net	Email: lnash@public.sta.net.cn	

Historical Production Tables by Province in 1000 Ha and 1000 MT

Orchard Area and Production by Province								
	1999		2000		2001		2002	
	1000 Ha	1000 MT	1000 Ha	1000 MT	1000 Ha	1000 MT	1000 Ha	1000 MT
Fujian	148.6	1,589	137.9	1,306	164.2	1,810	163.8	1,932
Sichuan	152.5	1,162	155.2	1,328	163.8	1,498	180.7	1,662
Zhejiang	132.9	2,120	125.2	972	123.9	1,638	124.0	1,643
Hunan	245.8	1,497	247.9	1,259	253.5	1,588	261.8	1,489
Guangxi	105.1	1,062	110.0	880	115.7	1,321	118.0	1,373
Guangdong	79.4	836	82.2	811	94.3	1,135	105.9	1,234
Hubei	102.4	993	99.1	946	98.5	1,072	100.3	939
Chongqing	60.0	527	63.2	584	68.8	599	92.6	657
Jiangxi	177.8	539	169.3	283	154.5	434	166.4	490
Shanghai	4.5	134	4.8	102	4.4	137	6.0	159
Guizhou	34.2	113	32.9	101	33.4	128	34.9	135
Yunnan	17.6	89	19.5	92	21.6	102	23.2	118
Shaanxi	11.0	30	12.1	35	13.5	42	14.6	59
Jiangsu	3.2	62	3.3	43	3.5	55	3.3	49
Henan	4.6	14	4.9	21	4.7	22	4.0	22
Hainan	0.6	11	2.2	14	2.6	15	2.6	18
Anhui	2.0	7	1.8	5	2.6	9	2.3	8
Gansu	0.7	2	0.2	2	0.2	3	0.2	3
Total	1,282.9	10,787	1,271.7	8,783	1,323.7	11,608	1,404.6	11,990
Production Source: State Statistics Yearbooks								
Planting Area Source: Ministry of Agriculture Abstracts								

2001 and 2002 Production Tables by Citrus Variety in 1000 MT

Citrus Production by Groups in 2001 and 2002 by volume in 1000 Metric Tons										
	2001					2002				
	1000MT	Gan	Ju	Cheng	You	1000MT	Gan	Ju	Cheng	You
Shanghai	137	0.0	137.5	0.0	0.0	159	0.0	159.4	0.0	0.0
Jiangsu	55	21.1	33.7	0.0	0.0	49	15.1	34.0	0.0	0.0
Zhejiang	1,590	522.9	926.2	16.1	124.4	1,602	626.6	811.4	20.5	143.5
Anhui	9	0.2	9.1	0.0	0.0	8	0.2	7.8	0.0	0.0
Fujian	1,794	494.7	794.2	116.4	389.0	1,911	516.2	835.2	132.4	427.3
Jiangxi	412	125.2	227.4	47.4	11.5	456	92.7	259.2	91.1	12.6
Henan	22	0.0	21.8	0.0	0.0	22	0.0	21.8	0.0	0.0
Hubei	1,069	269.3	699.6	97.9	2.1	930	237.3	604.2	85.7	2.5
Hunan	1,588	501.1	906.9	133.6	46.9	1,489	482.5	831.4	128.7	46.6
Guangdong	1,135	408.1	222.1	111.5	393.2	1,234	401.4	284.3	133.5	414.8
Guangxi	1,321	861.5	0.0	210.1	249.1	1,373	868.9	0.0	241.3	263.2
Hainan	15	7.2	2.1	5.3	0.3	18	8.9	2.5	6.6	0.4
Chongqing	591	198.4	175.5	170.0	47.6	654	223.0	169.6	198.8	62.7
Sichuan	1,480	556.1	386.8	430.1	107.0	1,638	669.1	385.0	444.8	139.4
Guizhou	123	62.4	49.4	7.2	3.8	133	64.9	53.7	8.4	6.1
Yunnan	98	28.1	58.5	5.8	5.7	117	35.9	66.8	7.6	6.2
Shaanxi	41	25.2	14.7	0.0	1.1	54	6.4	45.4	1.5	0.6
Gansu	3	0.0	2.6	0.7	0.0	3	0.0	2.9	0.0	0.0
Total	11,483	4,081.7	4,667.8	1,352.0	1,381.6	11,850	4,249.1	4,574.6	1,500.8	1,525.9
Source: Chinese Ministry of Agriculture Statistical Abstract										

Note: The above classifications are provided by China's MOA. "Gan" refers to some oranges, but primarily mandarin oranges/tangerines/satsumas. "Ju" refers exclusively to mandarin oranges/tangerines/satsumas. Cheng refers exclusively to oranges. "You" refer to pomelos and grapefruits.

All Citrus Trade

Chinese Citrus Imports from the World by Volume and Value

Fresh and Processed Citrus Imports							
HS Code	Description	Volume (MT)			Value (US \$ Million)		
		10/00-9/01	10/00-9/02	10/02-9/03	10/00-9/01	10/00-9/02	10/02-9/03
080510	Oranges	57,082	42,828	59,749	26.842	21.840	36.917
080520	Mandarins	5,680	5,701	8,412	1.957	1.972	4.048
08052010	-Chiao-kan	0	0	1,152	0.000	0.000	0.588
08052020	-Broad-Leafed	0	0	0	0.000	0.000	0.000
08052090	-Other Mandarins	5,680	5,701	7,260	1.956	1.972	3.460
080540	Grapefruit	3,269	3,509	3,597	1.438	1.178	1.550
080530	Lemons/Limes	5,736	840	0	2.804	0.388	0.000
080550	Lemons/Limes	0	2,930	5,303	0.000	1.378	3.666
080590	Other Citrus	0	8	15	0.000	0.009	0.057
200791	Citrus Jams/Jellies	53	61	45	0.053	0.075	0.071
200830	Citrus Prep.	255	562	1,163	0.197	0.340	0.922
200911	Frozen OJ	12,848	33,226	42,112	12.497	39.644	53.284
200912	OJ <20 Brix	0	235	862	0.000	0.171	0.507
200919	OJ >20 Brix	3,277	2,610	1,611	2.297	2.002	2.085
200921	Grapefruit Juice <20 Brix	0	139	331	0.000	0.121	0.345
200929	Grapefruit Juice >20 Brix	0	195	295	0.000	0.312	0.477
200930	Citrus Fruit Juice	265	13	0	0.355	0.022	0.000
200931	Citrus Fruit Juice <20 Brix	0	103	219	0.000	0.049	0.144
200939	Citrus Fruit Juice >20 Brix	0	192	157	0.000	0.225	0.272
Source of Data: China Customs							

Chinese Citrus Exports to the World by Volume and Value

Fresh and Processed Citrus Exports							
		Volume (MT)			Value (US \$ Million)		
HS Code	Description	10/00-9/01	10/00-9/02	10/02-9/03	10/00-9/01	10/00-9/02	10/02-9/03
080510	Oranges	2341	5322	14108	0.332	0.861	4.926
080520	Mandarins	155058	169242	219660	39.193	41.692	55.062
08052010	-Chiao-kan	8520	6918	7235	0.869	0.968	0.970
08052020	-Broad-Leafed	0	747	267	0.000	0.176	0.091
08052090	-Other Mandarins	146538	161577	212159	38.324	40.548	54.001
080530	Lemons/Limes	86	37	0	0.040	0.006	0.000
080540	Grapefruit	5244	7404	12522	0.781	1.482	2.017
080550	Lemons/Limes	0	35	39	0.000	0.013	0.011
080590	<i>Other Citrus</i>	11390	10677	9761	1.968	2.941	2.860
200791	Citrus Jams/Jellies	201	103	1573	0.175	0.072	2.070
200830	Citrus Prep.	169488	216749	240863	119.824	126.049	153.930
200911	Frozen OJ	1677	2229	2961	2.109	2.542	2.665
200912	<i>OJ <20 Brix</i>	0	296	117	0.000	0.232	0.056
200919	<i>OJ >20 Brix</i>	923	620	446	0.818	0.561	0.414
200921	<i>Grapefruit Juice <20 Brix</i>	0	129	198	0.000	0.146	0.217
200929	<i>Grapefruit Juice >20 Brix</i>	0	0	1	0.000	0.000	0.001
200930	Citrus Fruit Juice	726	41	0	0.491	0.032	0.000
200931	<i>Citrus Fruit Juice <20 Brix</i>	0	306	285	0.000	0.171	0.147
200939	<i>Citrus Fruit Juice >20 Brix]</i>	0	57	42	0.000	0.077	0.064
Source of Data: China Customs							

Tariff, VAT, and Effective Rate Reduction Schedule Fresh Citrus

Scheduled Tariff Rate Reductions for Fresh Citrus							
HS Code	Description	2003			2004		
		Tariff	VAT	Effective	Tariff	VAT	Effective
8051000	Oranges	16.8%	13.0%	32.0%	11.0%	13.0%	25.4%
8052010	Mandarins (Chiao-kan)	17.6%	13.0%	32.9%	12.0%	13.0%	26.6%
8052020	Mandarins (Broad-leafed)	17.6%	13.0%	32.9%	12.0%	13.0%	26.6%
8052090	Mandarins (Other)	17.6%	13.0%	32.9%	12.0%	13.0%	26.6%
8054000	Grapefruits/Pomelos	17.6%	13.0%	32.9%	12.0%	13.0%	26.6%
8055000	Lemons and Limes	16.8%	13.0%	32.0%	11.0%	13.0%	25.4%
8059000	Citrus, Other	32.0%	13.0%	49.2%	30.0%	13.0%	46.9%
Source: China Customs							

Processed Citrus

Scheduled Tariff Rate Reductions for Processed Citrus							
HS Code	Description	2003			2004		
		Tariff	VAT	Effective	Tariff	VAT	Effective
20079100	Citrus, Jams and Jellies	30.0%	17.0%	52.1%	30.0%	17.0%	52.1%
20083010	Citrus, In Airtight Containers	22.0%	17.0%	42.7%	20.0%	17.0%	40.4%
20083090	Citrus, Non-Airtight Containers	22.0%	17.0%	42.7%	20.0%	17.0%	40.4%
20091100	Frozen Orange Juice	7.5%	17.0%	25.8%	7.5%	17.0%	25.8%
20091200	Non-Frozen Orange Juice <20 Brix	31.0%	17.0%	53.3%	30.0%	17.0%	52.1%
20091900	Non-Frozen Orange Juice >20 Brix	31.0%	17.0%	53.3%	30.0%	17.0%	52.1%
20092100	Grapefruit Juice <20 Brix	19.0%	17.0%	39.2%	15.0%	17.0%	34.6%
20092900	Grapefruit Juice >20 Brix	19.0%	17.0%	39.2%	15.0%	17.0%	34.6%
20093100	Other Citrus Juice <20 Brix	21.4%	17.0%	42.0%	18.0%	17.0%	38.1%
20093900	Other Citrus Juice >20 Brix	21.4%	17.0%	42.0%	18.0%	17.0%	38.1%
Source: China Customs							

**Wholesale Market Pricing Data (in RMB per Kilogram: RMB 8.265 = US \$1)
Orange Prices**

Product	Tian Cheng			Qi Cheng		
Date	Min	Max	Avg	Min	Max	Avg
11/6/2002	2.8	14	9.1	1.6	14	5.43
12/12/2002	1	12	3.2	1.3	14	4.3
1/9/2003	0.9	12	2.911	1.4	7	3.437
2/11/2003	1.3	12	3.29	1.6	5	3.095
3/11/2003	1.3	8	2.775	1.8	13	3.64
4/7/2003	1.3	11	3.06	1.3	6	3.1
5/12/2003	1.2	11	3.48	1.6	14	3.78
6/6/2003	2	8	4.04	1.5	12	7.513
7/9/2003	9	11	9.7	1.2	13	7.8
8/12/2003	7.43	11	9.11	1.2	14	8.88
9/8/2003	10	10.4	10.2	4.6	14	10.32
10/8/2003	2.2	11	7.867	4.6	13	9.6
11/3/2003	2.2	11.5	8.03	1.8	12	7

Tiancheng: Sweet Oranges

Qicheng: Navel Orange

Mandarin/Tangerine/Satsuma Prices

Product	Lu Gan			Guang Gan			Hong Gan			Mi Ju*			Jiao Gan		
Date	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
11/6/2002	0.67	3.6	2.11							0.8	5	1.53			
12/12/2002	0.8	5	2.5	1.4	1.8	1.6	1.2	2.2	1.7	0.6	3.2	1.6			
1/9/2003	0.9	5	2.287	0.8	1.8	1.3	0.8	2.6	1.47	0.65	4.2	1.73			
2/11/2003	1.5	4	2.208				1	2.4	1.59	1	2.4	1.61	2.2	2.4	2.3
3/11/2003	1.3	2.6	1.91				0.92	2	1.46	0.9	2	1.475	0.8	2	1.4
4/7/2003	0.9	3	2.12	2	8	5	1.2	1.8	1.55	1	3	1.77	0.8	6	2.8
5/12/2003	1.6	3.5	2.5	0.9	5	2.06				1.5	2.4	1.93	2.4	2.4	2.4
6/6/2003	1.6	12	3.77	0.9	1.2	1.05				1.5	1.5	1.5			
7/9/2003	2.4	2.8	2.6	1.2	1.2	1.2				0.8	1.6	1.3			
8/12/2003	2.4	2.6	2.5	1.2	1.2	1.2				1.6	5	3.3			
9/8/2003										0.9	6	2.06			
10/8/2003				1.7	1.7	1.7				0.8	2.4	1.48			
11/3/2003	3.3	3.3	3.3	1.8	1.8	1.8				0.8	3.6	1.48			

*Miju: Similar to Satsuma and most common canned variety.

Pomelo/Grapefruit Prices

(RMB 8.265 = US \$1)

Product	Changsha Huyou			Youzi			ShatianYou		
Date	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
11/6/2002	3.6	3.6	3.6	1.4	3	1.97	1.6	1.8	1.65
12/12/2002	1.2	6	2.5	1	3	2.3	1.2	3	2
1/9/2003	1.1	3	1.91	0.7	5.6	2.38	1.65	4.5	2.54
2/11/2003	1.25	2.2	1.862	1.3	4	2.44	1.8	3.1	2.5
3/11/2003	1.4	3	2.067	1.9	2.5	2.22	1.6	4	2.867
4/7/2003							1.6	3.4	2.625
5/12/2003	0.9	3	1.7	0.9	11	3.27	1.6	4	2.525
6/6/2003	1.6	5	2.73	1.2	2	1.453			
7/9/2003				2.6	12	7.3			
8/12/2003				1.2	2.6	2	4	4	4
9/8/2003				1.7	10	3.71	2	2	2
10/8/2003	3.4	3.4	3.4	1.4	3.5	2.27			
11/3/2003	2.6	2.6	2.6	1.6	3	2.12	1.8	2.3	2.1
Changsha Huyou: Pomelo originating from the Changsha area of China									
Youzi: Pomelo or grapefruit									
Shatian You: Pomelo originating from the Shatian area of China									

Lemon/Lime Prices

Product	Ning Meng		
Date	Min	Max	Avg
11/6/2002	6.5	12	9.79
12/12/2002	3.8	10	7.8
1/9/2003	2.5	11	7.07
2/11/2003	5.6	15	9.32
3/11/2003	2.8	10.5	7.9
4/7/2003	2	16	7.73
5/12/2003	5	12	8.7
6/6/2003	1.8	10	7.05
7/9/2003	3	10	7
8/12/2003	3	12	8.167
9/8/2003	4	10	7.1
10/8/2003	4	10	6.38
11/3/2003	2	10	5.6
Ningmeng: Any citrus of the lemon/lime variety			

Production, Supply, and Demand (PSD) Tables
Oranges

PSD Table						
Country	China, Peoples Republic of					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	410000	410000	432000	562000	0	570000
Area Harvested	350000	0	360000	0	0	0
Bearing Trees	332000	0	336000	0	0	0
Non-Bearing Trees	58590	0	60800	0	0	0
TOTAL No. Of Trees	390590	0	396800	0	0	0
Production	3598	3598	3232	3600	0	3675
Imports	42	42	60	60	0	55
TOTAL SUPPLY	3640	3640	3292	3660	0	3730
Exports	5	5	5	14	0	20
Fresh Dom. Consumption	3612	3612	3264	3601	0	3660
Processing	23	23	23	45	0	50
TOTAL DISTRIBUTION	3640	3640	3292	3660	0	3730

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Oranges		
Time Period	Oct - Sep	Units:	MT
Imports for:	2001		2002
U.S.	See below	U.S.	See below
Others		Others	
U.S.	20630	U.S.	32359
New Zealand	20029	New Zealand	22374
South Africa	2125	South Africa	4883
Nepal	31	Egypt	97
Brazil	8	Taiwan	33
Chile	4	Thailand	3
Germany	1		
Thailand	1		
Total for Others	42829		59749
Others not Listed	0		0
Grand Total	42829		59749

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Oranges		
Time Period	Oct - Sep	Units:	MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Hong Kong	3971	Hong Kong	9848
Vietnam	45	Vietnam	1928
Macau	387	Macau	1227
Singapore	689	Singapore	570
Russia	52	Russia	212
Malaysia	123	Malaysia	121
Indonesia	26	Indonesia	106
Philippines	0	Philippines	48
Canada	23	Canada	27
North Korea	3	North Korea	16
Total for Others	5319		14103
Others not Listed	3		5
Grand Total	5322		14108

Tangerines

PSD Table						
Country	China, Peoples Republic of					
Commodity	Fresh Tangerines				(HECTARES)(1000 TREES)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	715000	715000	715500	702500	0	695000
Area Harvested	675000	0	680000	0	0	0
Bearing Trees	578232	0	556500	0	0	0
Non-Bearing Trees	102060	0	100700	0	0	0
TOTAL No. Of Trees	680292	0	657200	0	0	0
Production	6268	6268	5353	6545	0	6500
Imports	6	6	5	8	0	10
TOTAL SUPPLY	6274	6274	5358	6553	0	6510
Exports	169	169	170	220	0	230
Fresh Dom. Consumption	5780	5780	4837	5982	0	5900
Processing	325	325	351	351	0	0
TOTAL DISTRIBUTION	6274	6274	5358	6553	0	6130

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Tangerines		
Time Period	Oct - Sep	Units:	MT
Imports for:	2001		2002
U.S.	See below	U.S.	See below
Others		Others	
U.S.	234	U.S.	56
New Zealand	5133	New Zealand	7071
Taiwan	19	Taiwan	1201
Japan	103	Japan	42
Australia	211	Australia	25
		Thailand	18
Total for Others	5700		8413
Others not Listed	1		0
Grand Total	5701		8413

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Tangerines		
Time Period	Oct - Sep	Units:	MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Vietnam	16104	Vietnam	53365
Malaysia	41973	Malaysia	44590
Indonesia	21841	Indonesia	25490
Singapore	14942	Singapore	22867
Philippines	34821	Philippines	22198
Russia	17171	Russia	19545
Hong Kong	8158	Hong Kong	16550
Canada	11445	Canada	11311
Macau	712	Macau	1112
Krygyzstan	64	Krygyzstan	836
Total for Others	167231		217864
Others not Listed	2011		1796
Grand Total	169242		219660

Pomelos and Grapefruits

PSD Table						
Country	China, Peoples Republic of					
Commodity	Fresh Grapefruit				(HECTARES)(1000 TREES)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	0	1382	0	1526	0	1540
Imports	0	4	0	4	0	5
TOTAL SUPPLY	0	1386	0	1530	0	1545
Exports	0	7	0	13	0	15
Fresh Dom. Consumption	0	1379	0	1517	0	1530
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	1386	0	1530	0	1545

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Grapefruit		
Time Period	Oct - Sep	Units:	MT
Imports for:	2001		2002
U.S.	See below	U.S.	See below
Others		Others	
U.S.	927	U.S.	502
Thailand	2372	Thailand	2044
Taiwan	200	Taiwan	1052
Japan	11		
Total for Others	3510		3598
Others not Listed	0		0
Grand Total	3510		3598

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Grapefruit		
Time Period	Oct - Sep	Units:	MT
Exports for:	2001		2002
U.S.	0	U.S.	13
Others		Others	
Hong Kong	3802	Hong Kong	9073
Macau	861	Macau	1127
Canada	1460	Canada	1052
Philippines	837	Philippines	641
Singapore	353	Singapore	232
Malaysia	19	Malaysia	149
Indonesia	46	Indonesia	66
UK	11	Russia	43
Netherlands	11	France	21
Panama	4	UK	19
Total for Others	7404		12423
Others not Listed	0		86
Grand Total	7404		12522

Orange Juice

PSD Table						
Country	China, Peoples Republic of				Degrees Brix	
Commodity	Juice, Orange				(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2001		01/2001		01/2001
Deliv. To Processors	23	23	23	23	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	10000	0	12000	0	0
Imports	0	200204	0	300000	0	0
TOTAL SUPPLY	0	210204	0	312000	0	0
Exports	0	16648	0	18000	0	0
Domestic Consumption	0	193556	0	294000	0	0
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	210204	0	312000	0	0

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Juice, Orange		
Time Period	Oct-Sep	Units:	MT
Imports for:	2001		2002
U.S.	4286	U.S.	3848
Others		Others	
Brazil	25057	Brazil	26105
Israel	3365	Israel	9153
Australia	1393	Netherlands	3002
Denmark	523	Australia	438
Netherlands	322	Italy	303
Italy	232	Belgium	302
Spain	168	Germany	118
South Africa	125	Taiwan	98
Germany	69	South Korea	56
Belgium	56	South Africa	50
Total for Others	31310		39625
Others not Listed	240		250
Grand Total	31550		39875

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Juice, Orange		
Time Period	Oct-Sep	Units:	MT
Exports for:	2001		2002
U.S.	2	U.S.	8
Others		Others	
Hong Kong	2702	Hong Kong	3287
Nigeria	85	Taiwan	87
Taiwan	53	Japan	23
Macau	3	Italy	1
Myanmar	2		
North Korea	1		
Total for Others	2846		3398
Others not Listed	0		0
Grand Total	2848		3406

Grapefruit Juice

PSD Table						
Country	China, Peoples Republic of					
Commodity	Juice, Grapefruit				(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	194	194	295	295	440	440
TOTAL SUPPLY	194	194	295	295	440	440
Exports	32	32	49	49	75	75
Domestic Consumption	162	162	246	246	365	365
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	194	194	295	295	440	440

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Grapefruit		
Time Period	Oct - Sep	Units:	MT
Imports for:	2001		2002
U.S.	See below	U.S.	See below
Others		Others	
U.S.	927	U.S.	502
Thailand	2372	Thailand	2044
Taiwan	200	Taiwan	1052
Japan	11		
Total for Others	3510		3598
Others not Listed	0		0
Grand Total	3510		3598

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Juice, Grapefruit		
Time Period	Oct-Sep	Units:	MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Hong Kong	32	Hong Kong	47
		Bangladesh	2
Total for Others	32		49
Others not Listed			
Grand Total	32		49